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United Nations reform: measures and proposals

Review of the efficiency of the administrative and financial functioning of the United Nations

Proposed programme budget for the biennium 2018-2019

Programme planning

Human resources management

Shifting the management paradigm in the United Nations: ensuring a better future for all

Report of the Secretary-General

Summary

The present report on management reforms of the United Nations Secretariat is central to my reform agenda. It provides an indication of the principles that will guide current and future management reform efforts.

From consultations I have undertaken since assuming office, I have clearly heard that we are affected by slow, unresponsive service delivery; fragmentation in management structures; micro-management by the governing bodies; a trust deficit with Member States and with staff; inadequate resourcing of and ineffective implementation of mandates; and a lack of transparency and accountability.

I am suggesting a new management paradigm that will empower managers to determine how best to use their resources to support programme delivery and mandate implementation. This will also mean transferring greater responsibility to managers and holding them accountable for the programme and financial performance of their programmes. It will not be a blanket delegation, but based on a careful consideration of the capacities of managers to receive greater delegation of authority and their abilities to properly execute it.

I am also suggesting a transformation of the Organization, based on sound management principles, which will make the United Nations more nimble, effective,

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transparent, accountable, efficient, pragmatic and decentralized to better support its normative and operational activities and will implement my ambitious reform agenda.

I am making three main reform proposals in this regard. First, I am proposing measures to streamline and improve the planning and budgeting processes. Budgets should support better decision-making and better reflect the link between resource use and programme delivery. Second, I am delegating managerial authority to programme managers and demanding greater accountability from them for mandate delivery. Third, I am proposing changes to the management and support structures to better support delivery of programmes and provide managers with quality assurance and strategic policy guidance.

The overarching objectives are to decentralize by bringing decision-making closer to the point of delivery; trusting and empowering managers; ensuring greater accountability and transparency; reducing duplicative structures and overlapping mandates; increasing support for the field and reforming the planning and budgetary processes.

I. Introduction

1. After more than 70 years, the United Nations remains more relevant than ever to its mission: to deliver on its promise to save succeeding generations from the scourge of war, reaffirm faith in fundamental human rights, establish conditions under which justice and respect for the obligations under international law can be maintained, and promote social progress and better standards of life in larger freedom. Peace and security, human rights, international law and development remain the cornerstones of that mission.

2. Through the United Nations, Member States have achieved significant progress in the areas of peace, sustainable development and human rights. Yet, the Organization has increasingly struggled to meet the objectives enshrined in the Charter of the United Nations. The hard-won gains of the United Nations and its Member States are fragile and at serious risk, including from a shift away from multilateralism, in confronting the challenges faced by the world today in areas such as climate change, population growth and displacement, the deepening of inequality, poverty, human rights violations, increasingly entrenched and regionalized conflict, and the growing threat of terrorism and violent extremism. Through experience, we have learned that the failure to adapt or act results in the devastating cost of human suffering and the tragedy of lost opportunity for global development and social progress. I remain convinced that effective multilateralism and collective action by the 193 States Members of the United Nations remain the world's best hope.

3. To keep its promise to the people of today's world, the Organization must re-examine how it functions, recognizing that substantive reforms in areas such as peace and security and development must be underpinned by improvements in the administrative functioning of the Organization. The management framework, structures and procedures must enable and support a renewed vitality and innovation across the Secretariat and the United Nations system as a whole to fully support the fulfilment of the promise of the United Nations. We must enable unified action that extends and best utilizes comparative advantages across the United Nations to mutually reinforce the nexus of the work of the Organization in peace and security, sustainable development, the protection of human rights and the preservation of a healthy planet, while continuing to provide a valuable forum for intergovernmental debate. We must act now, in all of those areas, if we are to fulfil what was envisioned in the 2030 Agenda for Sustainable Development and leave no one behind.

4. The challenges to realizing the aims set out in the Charter are not, however, exclusively external to the Organization. The Secretariat's centralized and cumbersome management structure and administrative framework are not sufficiently responsive to the growing number and scope of the mandates of the United Nations, in particular in the field. Reform resulting in a different paradigm that emphasizes an integrated approach and expedited delivery in the field is critical. At a time when the overwhelming majority of United Nations personnel serve in the field — more than 90 per cent of civilian and uniformed personnel, including two thirds of all civilian staff — and most of the Organization's financial resources are devoted to requirements in the field, the management framework must be recalibrated to enable and support action in the field, where and when it is needed. My reform proposal is aimed at bringing decision-making closer to the point of delivery, simplifying rules, policies and procedures and decentralizing authority to enhance the effectiveness of efforts. This requires institutionalizing greater transparency and accountability in all activities to better serve the intergovernmental and governance processes at Headquarters. In my reform

proposal, I also propose the granting of greater managerial discretion in the management and deployment of resources.

5. With these thoughts in mind, in April, I established an internal review team to examine what needs to be changed to make the Organization more effective and responsive to those it serves. Through consultations with Member States and staff members, at all levels, including heads of departments, regional commissions, offices away from Headquarters and peacekeeping and special political missions, the review team identified the following six key challenges:

(a) Slow and unresponsive service delivery;

(b) Fragmentation in management structures;

(c) A weak performance management culture;

(d) Gaps in resourcing of mandates and ineffective management of resources for the implementation of mandates;

(e) Gaps in transparency and accountability;

(f) A trust deficit between Member States and the Secretariat.

6. In concrete terms, I intend to deliver changes in those areas, by developing proposals in four key areas. First, the leadership of the Organization must be strengthened and empowered. Responsibility, authority and accountability must be aligned and roles and responsibilities clarified. The focus of oversight mechanisms must shift away from ex ante control to ex post facto compliance, matched by accountability for results. Second, the Organization must become more transparent, able to much more visibly and meaningfully demonstrate a clearer link between resources and results, and must strengthen its risk management frameworks. Third, to enable effective and timely action, authorities must be delegated, responsibly and under clear conditions, so that they can be exercised closer to the point of delivery. Fourth, the management structures at Headquarters must be reorganized to ensure the accountable exercise of delegated authorities in support of effective and full mandate delivery, including through the elimination of duplicative functions, the establishment of a clearer division of roles and responsibilities and segregation of duties, and the assurance of appropriate checks and balances.

7. My vision for addressing the six key challenges rests upon two sets of commitments into which I intend to enter, one with senior managers and one with Member States. To senior managers, I pledge to give the full authority to deliver on their mandates, as long as they do so transparently, responsibly and accountably. From senior managers, I seek greater commitment to delivering reforms on the ground and challenging the old ways of working. To Member States, I pledge that the Secretariat will be transparent, responsible and accountable in its stewardship of the resources of the Organization and in delivering upon agreed mandates and benchmarks to ensure the implementation of all mandates. From Member States, I seek their trust in the management of the Organization, allowing me the possibility to take decisions that enhance the effectiveness of mandate implementation, within the broad parameters outlined in the present report, without having to seek prior approval for my actions.

8. In addition, I propose the following major changes in the management of the Organization:

(a) Simplify and streamline the planning and budget cycle and reports, including by moving from a biennial to an annual budget and shortening the planning and budgetary cycle from five to three years. Programme planning and performance information would be presented alongside financial information to

improve the transparency of activities and support strategic decision-making. I propose that Member States provide additional authority to redeploy resources within the budget parts, not between them, thereby preserving the principle that resources allocated for development should be used for development and those allocated for the other pillars of the Organization should be used for those pillars. I also propose that the scope of the commitment authority for "unforeseen and extraordinary expenses" be broadened to respond rapidly to unforeseen events in the areas of development and human rights;

(b) Implement measures to increase the transparency of reporting to Member States, including in monitoring, evaluation, programme and financial performance and resource use;

(c) Bring about an organizational change to eliminate duplicative internal controls by establishing a Department of Management Strategy, Policy and Compliance with a clear policy, strategy and compliance role and a Department of Operational Support focused on operations, services, transactions and surge support to entities in weak environments;

(d) Take full advantage of Umoja and the global service delivery model to carry out administrative transactions in a reduced number of locations. The United Nations currently maintains functions, such as procurement and payment systems, staff contracting, engineering and logistics management, in multiple locations. I propose the consolidation of those functions into two or three centres and undertaking a strategic assessment of the locations. This will be a complex exercise, but it is urgently needed to ensure more cost-effective and consistent administrative support. Improving supply chain management and enabling greater technological innovations would also be critical;

(e) Streamline and simplify human resources rules, processes and procedures to ensure timely recruitment, deployment and staff development, with clear delegation of authority to managers, together with clear rules of accountability.

9. Throughout the process of reform, I will provide briefings to and consult with staff as I firmly believe that staff are the most valuable asset of the Organization. They deserve praise and support for their dedication and, in particular, their personal sacrifices in the line of duty to the Organization, on the front lines of conflict, in delivering humanitarian aid, protecting human rights, eradicating poverty and leading the way along the path of sustainable development. I have met with the representatives of staff, as well as staff at large around the world through town hall meetings, and I intend to consult further as we move forward on the detailed aspects of the implementation of management reform, in particular where there may be an effect on staff welfare and conditions of service.

10. The management reforms set out herein are intended to strengthen delivery: delivery at Headquarters, in support of multilateral deliberation and action and setting and coordinating policy and strategic planning; delivery at the regional level, in direct support of Governments, United Nations operations and other intergovernmental and regional organizations; and delivery at the local level, where our action most directly impacts the people we serve. The reforms take into account the measures under way across the United Nations system to achieve more coherent action with greater impact and build on the experience of past and ongoing management reforms, taking advantage of previous investments made to strengthen the Secretariat and enable unity of purpose and action in bringing fully to bear the capacities of the Secretariat and, as appropriate, of the United Nations system. The ultimate objective of the reforms is to enhance the effectiveness of the Organization in meeting all its mandates and to enhance its accountability for results, while complying with the parameters set out by Member States.

11. In this report, I set out in broad terms the concepts, purposes and principles underpinning my reforms to the administrative functioning of the Organization, seek the support of Member States in my vision for management reform, and identify those areas where further work is necessary before detailed, costed proposals are ready for submission to the General Assembly for its consideration. The management reforms will be the principal enabler for efficient and effective servicing of global operations, whether it be in development, peace and security, or humanitarian response. They will cover the field, Headquarters, regional commissions and offices away from Headquarters and will thereby allow the Secretariat to address the needs of all areas, in particular the field, eliminate duplication and enhance accountability through operational transformation and appropriate delegation of authority. These reforms underpin the reform proposals in development and peace and security.

II. Survey of previous and ongoing management reform initiatives

12. Many attempts have been made over the years to address the challenges faced by the Secretariat, to the extent that staff and Member States alike can be excused of suffering from reform fatigue. Like my predecessors, I came into office recognizing the need to build on and adjust prior reform initiatives to improve the administrative functioning of the Organization. Modern management approaches have been introduced with the development and/or implementation of the International Public Sector Accounting Standards (IPSAS), the enterprise resource planning system, Umoja, and the proposal for a new global service delivery model. They have also included, most notably, the establishment of the Ethics Office, the Independent Audit Advisory Committee, the enterprise risk management and internal control framework methodology, the Secretariat-wide anti-fraud risk assessment, a new information and communications technology strategy for the Secretariat, the Department of Field Support and a series of human resources reforms, including initiatives to promote managed mobility at different levels.

13. Yet, for all of the improvements achieved, much more remains to be done if the Secretariat is to more effectively deliver on all its mandates. The Secretariat is a complex organ that answers to many different intergovernmental bodies and pursues many different goals and objectives. Over time, this has driven the staff of the Secretariat to operate within silos, leading to conflicting or redundant activities and an increasingly centralized, bureaucratic and risk-averse culture and leadership. Administrative processes have become duplicative and slow to respond to the needs of an Organization operating in increasingly dynamic, volatile and often dangerous field-based environments.

Culture and leadership

14. If the United Nations is to truly lead, it must work across organizational boundaries, harnessing the full power of its available resources, capacities and partnerships. Critical to its success will be a profound transformation of culture, and visionary and principled United Nations leadership — at all levels and across the system.

15. The United Nations must move to a culture that is focused more on results than on processes, better manages administrative and mandate delivery risks, values innovation, and demonstrates a higher tolerance for honest mistakes and a greater readiness to take prompt corrective action. We must re-establish trust at all levels and create a culture of empowerment and accountability, ensuring that leaders,

managers and staff have the wherewithal to achieve, where, when and how needed, and that the Organization is equipped and ready to support Member States as they conduct their own work and take collective action. We must value and count on the integrity and hard work of our staff, communicate openly what is expected of them, recognize their performance against clear and fair standards, and ensure that staff skills and competencies keep pace with the exponential rate of technological innovation.

16. The reports entitled "Investing in the United Nations: for a stronger Organization worldwide" (A/60/692 and Corr.1 and 2) and "Investing in people" (A/61/255 and Add.1 and Add.1/Corr.1) identified the need to better support and develop the United Nations leadership and management culture. Some steps taken towards that goal include the introduction of compacts between the Secretary-General and senior managers as a strategic management tool, dedicating capacity within the Department of Field Support on senior appointments in field missions and the development of induction and mentoring programmes, and mandatory training programmes for senior leadership.

17. United in purpose, the United Nations System Chief Executives Board for Coordination (CEB) endorsed the United Nations system leadership framework in April 2017. The framework sets out eight defining characteristics determined to be essential to fulfilling the Organization's core mandate to promote peace and security, protect human rights, address humanitarian needs and advance the imperatives of economic and social progress set out in the 2030 Agenda. The eight principles defining United Nations leadership are that it is: (a) principled, defending the Organization's values, norms and standards; (b) norm-based, grounded in United Nations values and standards; (c) inclusive; (d) accountable, demonstrating 360-degree accountability within the United Nations, across the United Nations system, to Member States and to those served by the Organization; (e) multidimensional, integrating across organizational boundaries and functions; (f) transformational, achieving positive change; (g) collaborative; and (h) self-applied, exhibiting the principles in all interactions. To these, I have added a ninth characteristic: that it is pragmatic and action-oriented, taking principled and practical action to deliver on mandates, balancing administrative and operational risks and erring on the side of action to prevent and address human suffering.

18. I have instructed that the leadership framework be integrated into all leadership and management staff selection decisions at all levels across the Secretariat and that revitalized leadership orientation, training, mentoring and coaching programmes be updated accordingly. In addition, I have decided that a 360-degree evaluation mechanism will be developed around the nine qualities and that appropriate measurements will be included in the Secretary-General's senior leadership compacts with heads of departments, offices, regional commissions and missions. The Secretariat will conduct periodic staff surveys to monitor staff perceptions of their leadership and managers, and I will introduce measures to recognize excellent leaders and managers and to hold accountable those who fail to uphold the principles and characteristics of United Nations leadership.

19. Leadership and management development programmes mandatory since 2009 for staff at the P-4 to D-2 levels and the competency-based framework for staff selection introduced in 2010 will be adjusted to reflect the leadership framework and will be more closely aligned with organizational expectations and performance management. Performance management has become a significant management challenge that impacts delivery and effectiveness. When confronted with deficiencies in management, staff often believe that the only recourse available to them is through the system of administration of justice. The desire to avoid the internal justice system can lead managers to avoid formally documenting

underperformance or to take administrative action against underperforming staff members. Although such situations affect only a small fraction of the staff of the Secretariat, the perception of impunity has a deleterious effect on the effectiveness of the Organization as a whole and undermines the esprit de corps in the noble work of the United Nations. Further steps to improve the performance management system are also in progress, in the context of responding to the request made by the General Assembly in its resolution 68/265, as set out below.

Simplifying human resources management

20. While success requires a fundamental shift in how the Organization is led and how it conducts its work, it can be achieved only with full reliance on the dedication and hard work of all staff at all levels. The diversity and complexity of the global United Nations presence must be matched by a diverse, geographically balanced and gender-balanced, international and multitalented workforce that is truly representative of, and benefits, all the peoples we serve through a strong sense of duty and purpose to uphold the values on which the United Nations was built and for which it stands.

21. Although originally designed with the fundamental purpose of ensuring the fair treatment of staff and equal opportunities, inordinately complex human resources policies and centralized processes not only contribute to delays in taking action in identifying, deploying, administering and managing the Organization's workforce, but, ironically, also serve to disperse and depersonalize decision-making and thereby stymie transparency and dilute accountability in human resources management decisions. The recruitment and separation of staff, in particular, are pain points, characterized by ex ante controls and processes that do little to contribute to the prompt and effective management of the workforce, but rather place the Organization at risk of administrative litigation and failure to effectively deliver mandates. While there clearly is a need to preserve the due process rights of individual staff members, administrative processes have devolved to the point of inertia, where, in practice, compliance with all procedural steps has come to matter more than making the right decision and taking the correct action in the interests of the Organization.

22. As organizational needs and culture shift, the Organization's workforce must also shift to address the challenges of the present and those of the future. The complexity and changing nature of global challenges demand streamlined and simplified workforce planning and management, including performance management and training, that ensure that the staff profile keeps pace with what the United Nations is called upon to achieve at any given time and that the Secretariat is managed with competence, integrity, efficiency, effectiveness in pragmatic action, transparency and accountability. To serve and to serve well, the Organization must capitalize on the diversity of its workforce and the direct experience gained through geographical mobility, where functionally feasible.

23. Despite human resources reforms undertaken over the past decade, the Organization is not as operational and effective as I would like it to be. It continues to struggle with the challenge of getting the right people with the right skills at the right place at the right time. As noted in a recent report on human resources management reform (A/71/323), it takes 239 days on average to recruit staff in non-field duty stations, a far cry from the 120-day target. This is too slow to allow the Secretariat to respond rapidly to emerging needs. Furthermore, many human resources processes are centralized, rigid and cumbersome, and policies are not sufficiently adapted to the field and not always consistently applied. A fundamental shift in mindset is required. The strategic human resources function in the Secretariat must work to define a common vision for the Organization and align its policies and frameworks with that common vision. It must focus on attracting,

recruiting and retaining talent, including through measures to foster meaningful career development and address staff health and well-being. Human resources management must also more effectively address planning and reshaping of the workforce. In short, the human resources function must ensure that the Organization is able to retain and nurture staff with the skillsets and dynamism to meet new and emerging challenges.

24. Meeting the principles set forth in Article 101, paragraph 3, of the Charter must take concrete form not only by giving voice to the precepts that guide our human resources policies, but also through a successful organizational renewal. Human resources management policies must proactively contribute to greater geographical and regional diversity of the workforce. It is unacceptable that, more than two decades after the General Assembly, in its resolution 49/167 of 24 December 1994, urged the Secretary-General to implement fully the strategic plan of action for the improvement of the status of women in the Secretariat (1995-2000), the achievement of the goal of overall gender parity still remains elusive in the Secretariat. I have stressed the importance of gender parity at all levels and have instructed all senior officials to place it at the centre of their human resources management priorities. In my senior appointments, I am committed to achieving gender parity at the Under-Secretary-General and Assistant Secretary-General levels during my tenure and to ensuring greater geographical diversity among my senior management team.

25. At the same time, there is a need to unite staff behind a common purpose and to remember that every job at the United Nations, regardless of its place in the hierarchy, is a unique chance for an individual to contribute to the wellness of humankind. The Organization must re-energize the passion to serve the world.

26. In order to effect this transformation, the Organization must simplify its policy framework and procedures and decentralize authority as close as possible to the point of delivery, enabled by transparent and timely business intelligence reporting, monitoring and quality assurance and measures for strengthened accountability.

27. The following issues need urgent attention and will be addressed in 2018, taking into account the appropriate staff management consultations:

(a) Review and simplify human resources policies and procedures, taking into account best practices across the United Nations system and in other public and private sector entities;

(b) Improve workforce planning, paying specific attention to the profile of leaders, managers and staff, to ensure quick and effective deployment as emerging situations demand;

(c) Strengthen measures to promote equitable geographical distribution and gender parity;

(d) Standardize and expedite job design and classification;

(e) Improve the recruitment function and develop a human resources dashboard to track key indicators, including on gender parity and geographical distribution;

(f) Take measures to speed up the screening of candidates, the verification of their qualifications and job references and their onboarding;

(g) Review the Secretariat's staff development policies, including mandatory training, against the needs of the Organization, including consideration of industry best practices regarding certification and recertification in certain fields;

(h) Refresh and align existing rosters and the Young Professionals Programme across the United Nations system to facilitate inter-agency mobility based on reciprocal agreements;

(i) Produce an inventory of the skills of serving staff to enable their quick deployment in the event of emergencies and reprofiling when needed;

(j) Transform performance management, including introducing a 360-degree evaluation mechanism, beginning at the Under-Secretary-General and Assistant Secretary-General levels;

(k) Issue a downsizing policy;

(l) Strengthen transparency and accountability mechanisms for the exercise of delegated human resources management authority against established key performance indicators.

Progress in all of these areas will be reported to the General Assembly at its seventy-third session as part of a comprehensive human resources management strategy.

28. Greater emphasis must be placed on investing in staff training and development as part of a performance management system that will achieve the required workforce shift in order to more effectively respond to present and future requirements. Performance must be more effectively managed, including through clear communication of expectations with staff members and measurement of achievement against objective standards and updated competencies that are linked to job design and standards across the Secretariat in order to align with the United Nations system leadership framework endorsed by CEB.

29. Given the significant implications of the managed mobility framework on those various streams and the need to explore alternative ways to incentivize mobility, I am pausing the managed mobility programme so that the Organization can benefit from lessons learned and prepare the comprehensive review requested by the General Assembly in its resolution 68/265, which will be submitted to the Assembly at its seventy-third session.

Streamlining programme planning, budget and finance

30. The continued strengthening of planning, budgeting and financial management is critical to enhancing the performance and responsiveness of the United Nations. Repositioning the management of the Organization for better delivery demands a planning and budget process that is transparent and agile, accountable and responsive, supportive of Member State action and decision-making and conducive to pragmatic and effective Secretariat action.

31. The United Nations has demonstrated its ability over the past 70 years to adapt to changes in the scope and breadth of mandates. The General Assembly has taken action to adapt planning and budgeting tools in response to those changes. Plans and budgets are governed by a tight regulatory framework, which includes extensive reporting requirements, while oversight is exercised by the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions, as well as the Board of Auditors. Plans and budgets must now be geared towards results. The Organization's accounting system and the related financial reporting standards have been brought into line with international best practices through the implementation of IPSAS, thereby improving the link between financial and programmatic accountability. The new enterprise resource management system, Umoja, now offers the Organization the potential to decentralize, modernize

and streamline processes, improve reporting and increase transparency in the use of resources.

32. Nevertheless, enhancements to the existing planning and budgeting processes are needed. The current cycle is protracted, with plans and budgets formulated well in advance of the period to which they relate. Related documentation is voluminous, labour-intensive and too fragmented to allow for a strategic, overarching assessment of the Organization's programme of work. Furthermore, the process does not allow for the reallocation of resources to respond to urgent requirements arising during budget implementation. In addition, specific mechanisms need to be updated or expanded to keep pace with current operational needs.

33. Planning and budgeting need to be instruments in the service of the Organization's priorities and its programme of work. Accordingly, improved programme plans must enable coordinated action to address challenges to peace and security and the protection of human rights, respond quickly to humanitarian imperatives and ensure that no one is left behind in achieving the Sustainable Development Goals. The budget document must also become an instrument for supporting the delegation of authority to managers to ensure greater ownership and responsibility for programme planning and delivery. The results of programme evaluations, self-evaluations and lessons learned would be reflected more clearly in the new annual budget format to increase transparency in programme delivery.

34. The budget process must ensure that the resources entrusted to the Secretariat are best allocated for the effective and efficient delivery of all mandates. Our new technology tools must be used to increase transparency within the Secretariat and towards Member States. For example, future extensions of Umoja should enable the Secretariat to use dashboards to report on the utilization of resources and visualize programme information.

35. While Member States have granted some managerial discretion to many heads of specialized agencies, funds and programmes, the Secretary-General does not currently have the managerial discretion to shift resources between programmes during the course of budget implementation without the prior approval of Member States. An experimental limited discretionary authority authorized by the General Assembly in 2006 had a number of restrictive conditions that constrained the use of that authority to effectively addressing emerging needs (see resolution 60/283).

36. I would propose a number of measures to improve my ability, as chief administrative officer of the Organization, to manage the activities of the Secretariat in support of the mandates set by Member States. In order to make the Organization more responsive to the demands of a fast-changing world and in the interest of making the best use of existing resources, I will propose a more simplified and transparent mechanism to redeploy resources within the budget period. The new managerial discretion would enable a more strategic use of approved resources during the course of budget implementation. The resources allocated to the Secretariat would be used more collaboratively within pillars to ensure the effective implementation of programmes and mandates within those pillars. This would support my efforts to reduce the silos and improve communication between departments and pillars and ensure that departments work more collaboratively in a common pursuit of the Organization's mandates.

37. These changes to the planning and budgetary process are crucial to my efforts to reform the structures and change the management style of the Secretariat. They embody my commitment to managers by increasing their ability to manage their programmes and resources, while holding them accountable for the delivery of results. Senior managers would be able to show more clearly the extent to which they are able to implement their programmes with the resources allocated to them.

The changes to the format of the budget report would enable Member States to assess past performance, the lessons learned from improved evaluation and how they were applied to subsequent programme planning and resource requests. It would allow for a more focused and strategic dialogue with Member States on programme delivery and resource allocation.

38. Specific enhancements to the planning and budgeting processes are summarized in the table below, with further detail contained in the addendum to the present report (A/72/492/Add.1). The General Assembly's prompt action at its current session is sought on the proposals contained therein.

Summary of the Secretary-General's programme planning, budget and finance proposals

Current	*Proposed*
Planning and budgeting process	
• Biennial programme budget	• Integrated annual programme budget
• Plan outline is part I of the strategic framework prepared every two years	• Stand-alone plan outline report to cover a period of 5 years
Changes to documentation and the presentation of results frameworks	
• Programme performance report, budget outline, biennial programme plan (31 reports), proposed programme budget (47 reports), special political mission reports (10-16 reports), first and second performance reports, report on transfers between sections and financial statements	• Integrated annual programme budget (44 reports) and financial statements
• Biennial programme plan	• Revisions to the results framework along with a streamlined presentation and focus on performance reporting
• Financial resources presented at subprogramme level	• Aggregation of financial resources
• Special political mission budgets prepared and submitted in September-October during the main part of the session of the General Assembly	• Integration of special political mission budgets into the integrated annual programme budget (create separate section for special political missions that will be included in the budget proposal prepared and submitted in April)
• 14 budget parts and 36 sections structure	• 7 budget parts and 34 sections structure
• Statement V of the financial statements contains high-level information on budget variance by budget part	• Enhance statement V of the financial statements with additional information on the financial performance of the prior budget period, including variance analyses, information on redeployments undertaken within the budget part and information on the use of funds under "unforeseen and extraordinary expenses" during the period

Current	Proposed
Exceptional funding and operational arrangements	
• Limited budgetary discretion	• Managerial discretion to redeploy resources within budget parts
• Unforeseen and extraordinary expenses under authority of the Secretary-General only related to peace and security and the safety and security of staff and premises	• Broadening of the mechanism for the commitment of unforeseen and extraordinary expenses
• Working Capital Fund level: $150 million	• Working Capital Fund level: $350 million

Information and communications technology

39. Over the past few decades, as the United Nations capitalized upon the increased availability of information and communications technology to improve programme delivery, a highly fragmented and inefficient landscape emerged. The establishment of a revised information and communications technology strategy in 2014 (see A/69/517) allowed the Secretariat to better leverage information and communications technology as a strategic enabler, overcome technology fragmentation and protect the Organization against the increasing risk of cybersecurity threats.

40. Offering a single enterprise resource planning system to replace the hundreds of disparate platforms used across the Secretariat, Umoja implementation has the potential to empower managers and Member States with relevant business intelligence tools providing information in real time, including strategic performance metrics that will support not only executive decision-making, but also systematic monitoring, quality assurance and support, and transparent accountability mechanisms.

41. I intend that the Secretariat will refocus on the implementation of the information and communications technology strategy. To that end, the strategic, policy, governance and oversight role of the Chief Information Technology Officer will focus on the development of Secretariat-wide information and communications technology governance, strategy, policy and standards and effective enterprise data management to support executive decision-making, quality assurance and the monitoring of support and accountability mechanisms.

42. The strategy will continue to adapt to the diversity of functions within the Secretariat. In a decentralized Secretariat, flexibility and agility are essential in order to adapt and respond adequately to the speed of technological change and the diversity of the demands of Member States and civil society, including multilingualism across the Organization. With that in mind, an operational information and communications technology function will deliver tailored solutions to organizational units and provide day-to-day technical support to end users, working within the information and communications technology framework. Client engagement at both the strategic and operational levels will ensure that solutions enable the United Nations to more effectively and accountably deliver on its programmes and mandates and manage its staff.

43. In the implementation of the information and communications technology strategy, it is necessary for the Organization to ensure flexibility, opportunity and security, recognizing the different "business models" of the various entities in the Secretariat, and move away from the one-size-fits-all approach. The digital

revolution imposes an accelerated pace and a need for continual replacement of equipment and platforms and enhancements of applications. Staff who regularly interact with political, social and economic actors require prompt access to software solutions and interactive platforms to facilitate the meeting of their programme needs and the delivery of their mandates. Government and civil society decision makers, as they adapt to the variety of demands of the digital economy, expect quick solutions.

Improving supply chain management

44. Procurement in the Secretariat today is an extremely large and complex global operation in which contracts worth more than $3 billion are managed on an annual basis. While much has been done in recent years to align the Organization's procurement practices with public sector best practices and make it more responsive to field requirements, I am committed to further developing the procurement function within the United Nations to make it even quicker and more client-oriented.

45. Procurement in the Secretariat has been marked by fragmentation, duplication, inefficiency and onerous bureaucratic processes and controls. As an illustration, an area to be streamlined is the process of establishing systems contracts, which currently takes approximately 24 months and includes 40 distinct steps, during which action passes between the requisitioning office and the procurement office at 17 handover points. Moreover, delivery of goods and services through an established systems contract can still take upwards of 288 days. The implementation of global supply chain management provides an opportunity to transform the requisition, procurement, inventory and contract management functions. While the principles of "best value for money", fairness, integrity and transparency, effective international competition and safeguarding the interests of the United Nations will continue to govern procurement in the United Nations, the roles and responsibilities and processes associated with procurement must be streamlined and internal controls must be redesigned and realigned to better manage risk to allow for greater agility and faster response times while maintaining segregation of duties.

46. Eliminating duplication and integrating procurement into supply chain management, while safeguarding its financial and commercial independence from the requisition function, would reduce the overall timeline and ensure that the global portfolio of systems contracts remains responsive to changing requirements. I intend to implement a more nimble and agile procurement process in which decision-making authority is brought closer to the point of delivery. The process would be accompanied by streamlined procedures and strengthened oversight using business intelligence available through Umoja and IPSAS that empowers executive decision-making, along with centralized monitoring and compliance ensured under a strengthened accountability framework.

47. Special care will be taken to ensure that, before further delegations of authority proceed, policies are clear, processes are streamlined, those receiving procurement delegations of authority are fully trained and supported, and business intelligence and monitoring are in place to enable informed and responsible executive decisions under fully transparent accountability mechanisms. Moreover, to ensure that the Organization continues to benefit from the most cost-effective purchase of goods and services, a judicious balance will be effected between the centralized procurement of global requirements and systems contracts and the further decentralization of procurement authority to empower mandate delivery. It is to be expected that the bulk of high-value procurement, constituting more than 80 per cent of current procurement, will be conducted through central operational

support resources, while low-value procurement will benefit from quicker decision-making at the point of delivery.

Enhancing accountability and transparency

48. The United Nations has in place an individual and institutional accountability framework to promote compliance, transparency and the effective stewardship of resources in the delivery of mandates. This framework is summarized in the formal definition of accountability established by the General Assembly in its resolution 64/259 and comprises a number of elements, including a body of regulations and rules governing the activities of the Secretariat, as well as a number of structures intended to address different aspects of accountability within the Organization.

49. Those structures include independent external entities, such as the Board of Auditors, established by the General Assembly in 1946 to audit the accounts of the United Nations and issue findings and recommendations to the General Assembly; the Joint Inspection Unit, initially established in 1966 to examine cross-cutting issues to enhance the efficiency of the functioning of the United Nations system; and the Independent Audit Advisory Committee, established in 2005 to assist the Assembly in fulfilling its oversight responsibilities, including supervising the results of the work of the Office of Internal Oversight Services (OIOS), and on risk management and internal control issues.

50. The internal oversight structures include the Office of Internal Oversight Services, established in 1994 as an operationally independent entity whose main role is to enhance internal oversight through internal audit, inspection and evaluation, and investigation services. The Ethics Office was established in 2005, to ensure that all staff members observe and perform their functions in accordance with the highest standards of integrity.

51. In 2014, the Organization adopted the International Public Sector Accounting Standards for its financial statements, which allows for greater access to, and transparency in, information in order to facilitate better decision-making. IPSAS provides comprehensive information on the financial position and performance of the Organization, which allows Member States to assign accountability. The information generated by IPSAS also allows for a closer and more complete match of costs with mandates, objectives and results, thus improving the link between financial and programmatic accountability.

52. As a single global solution for the Secretariat, the new enterprise resource planning system, Umoja, will offer visibility in real time to detailed data on all the administrative operations which are supported by the system irrespective of where they are being conducted in the world. As indicated in paragraphs 91 to 93, Umoja will be a key enabler of management reform.

53. Recognizing the importance of a systematic approach to the high-level risks the Organization faces owing to the complexities of its operations and the ever-growing scope of its mandates, in 2016, an enterprise risk management and internal control framework methodology was promulgated, a Secretariat-wide risk assessment was implemented, and corporate risk owners were designated. This provided the Organization with a defined mechanism to identify the top strategic risks and to put in place relevant risk response strategies for strengthened internal controls. The full implementation of enterprise risk management in all departments and offices at Headquarters and in the field will be essential for reforms, including the implementation of the first-ever Secretariat-wide anti-fraud risk assessment, and these efforts will be further facilitated through comprehensive training.

54. Still there are gaps that weaken the implementation of the framework, and areas where implementation may compromise the aims of the system despite the best of intentions.

55. The first area I intend to address is the strengthening of the culture of accountability within the Secretariat. I am keenly aware that our accountability mechanisms cannot bear fruit unless the concept of accountability is embedded in the manner in which staff and managers conduct their day-to-day activities. This requires staff at all levels not only to be aware of the existing accountability framework and mechanisms but also to understand their personal accountabilities, responsibilities and authorities. I have therefore requested that global management accountability guidance be developed that clarifies for staff how the accountability mechanisms all fit together and are interlinked, and that contains the accountabilities for all functional levels in each job network. In addition, I intend to request the heads of all departments, missions and offices to develop specific personal accountability frameworks for their internal use. In turn, the personal accountabilities would be reflected in our recruitment and selection system and our performance management system, including the Secretary-General's compacts with senior management.

56. The senior management team is aware of the importance I place on modelling the behaviour we wish to see throughout the Organization, including transparency in decision-making, recognizing achievements and taking action on unsatisfactory behaviour. I further believe that some key elements of managerial responsibility and accountability at all levels are:

(a) Delivering the vital mandates entrusted to programme managers by Member States;

(b) Monitoring the implementation of the recommendations of oversight bodies;

(c) Managing any risks which could prevent delivery of mandates (supported by the enterprise risk management system);

(d) Using resources allocated to programmes in the most effective manner;

(e) Proving that the right results have been delivered cost-effectively (through results-based management);

(f) Evaluating how projects and processes operate, to continually improve how the Secretariat functions (evaluation and continuous improvement).

57. An important part of these efforts will also include strengthening the implementation of results-based management, redirecting the efforts of staff at all levels towards the achievement of the Organization's objectives and goals, and shifting the focus of the Secretariat's efforts from inputs and activities to results and outcomes. These results will inform decision-making through the whole planning, programme budgeting and evaluation cycle, and will become an important element of the accountability and reporting systems of the Organization.

58. Next, I intend to focus on the second pillar of accountability — transparency in the functioning of the Organization and accountability to Member States. There is already a substantial level of openness in what the Organization is doing and how it is performing, as evidenced by the reports submitted to the General Assembly on mandate delivery and the stewardship of financial and human resources. However, this is not enough and we need to do more. I am therefore proposing that the Secretariat include programme performance information and the lessons learned in the proposed programme budget document. Programme planning information will be more clearly linked to the Charter, the Sustainable Development Goals and the legislative mandates guiding the programme of work of each department and office

during the course of budget implementation. Programme planning and resourcing will be better aligned to the lessons learned from past performance, which will increase the accountability of programme managers for results. Improved presentation as to how funds are utilized increases the chance that they will be used more effectively for positive results and desired outcomes.

59. I intend to publish, soon after the appropriate Umoja extensions are in place, comprehensive, real-time and easily accessible transaction-level information about United Nations operations relating to the Sustainable Development Goals, using the standards established by the International Aid Transparency Initiative (IATI), which aims to make all information about spending easily accessible. This will allow Member States and the public at large to access and assess information as they wish. This, in due course, will lead to the revision of our reporting standards to enable publication in the IATI Registry on a monthly basis, including all related financial and procurement transactions, encompassing all our activities around the world. Implementation will begin with the publishing of a data set of limited scope by 1 July 2018, with a view to fully meeting the IATI standards as soon as possible thereafter.

60. I am committed to leveraging Umoja to develop an online portal that would present expenditure information in a more interactive and accessible manner. The online hub would use maps and infographics to provide easily comprehensible information about United Nations operations, for the benefit of our partners, the public and the international community. The data would be updated on a daily basis, subject to legal, security and other practical considerations. Programme performance information would be reflected on dashboards to provide greater transparency during the course of budget implementation. Results of self-evaluation and lessons learned would be published online. The implementation of the recommendations of oversight bodies would be tracked and reported to the General Assembly on an annual basis.

61. Third, I intend to strengthen the self-evaluation capacity of the Secretariat to better inform programme planning and reporting on programme performance. Results of self-evaluation and evaluation will be used by programme managers to better plan and adjust their activities. Information on self-evaluation, including lessons learned, will be reflected in the annual programme budget to increase transparency on programme delivery to Member States. Self-evaluation will be both a learning tool and a management tool. It should provide further quality assurance on programme delivery and be central to providing greater accountability and transparency to Member States. The quality of the current evaluation functions and outputs varies markedly across programmes. To address those shortcomings, I have directed the Secretariat to formulate a policy that will provide independent assurance on programme delivery. The policy will be based on the United Nations Evaluation Group norms and standards for evaluation, which set out overall objectives and basic principles of evaluation. Secretariat programmes with functioning evaluation units will be requested to develop new policies or adapt their existing ones within the framework of the new policy. A roster of qualified internal and external evaluation experts will be created. A small central evaluation capacity will be established to provide support to smaller units that do not have a meaningful performance tracking and self-evaluation capacity. This support will include drafting terms of reference for self-evaluation, providing quality assurance, managing evaluations and the roster, and providing skills development. Evaluations will be made available to all Member States; I believe that Members will greatly benefit from them and provide valuable suggestions for continuous performance improvement. Changing the format of the budget report will allow Member States to have a clearer sense of the link between resources and mandates. Results of

evaluations, self-evaluations and lessons learned will be reflected more clearly in the planning for future budgets.

62. The implementation of my strategy to combat sexual exploitation and abuse and our strengthened whistleblower policy will be greatly enhanced by our ability to conduct robust and timely investigations. OIOS is an important partner in those efforts. I encourage Member States to mandate an external review of the mandate and capacity of the Office, focusing on its functions in the areas of auditing, investigation and evaluation.

63. The fourth component I have prioritized is risk management, to ensure that hidden and underlying risks are brought to the fore and properly addressed. The current system of internal control focuses on mitigating risks of an administrative and financial nature — waste, fraud and abuse — and does so mainly through reliance on ex ante controls, including numerous decision points and fragmentation of authority. While those controls provide a measure of confidence in the responsible stewardship of resources, the narrow focus on compliance creates onerous bureaucratic processes and significant delays in programme implementation which may at times be undue, considering the potential risks involved, and may serve to blur lines of responsibility and challenge efforts to ensure real accountability, thereby resulting, ironically, in a perceived lack of transparency and a trust deficit between the Secretariat and the Member States.

64. Ultimately, accountability measures must allow the Organization to demonstrate to the Member States results in the implementation of all its mandates. The budgets provide a critical tool through which the Secretariat can be held accountable to the Member States, but we must do more to ensure that the budgeting framework not only measures the utilization of funds and other resources but measures rather the effectiveness of actions supported by those contributions. Our risk management framework must, in other words, take into account factors such as the devastating cost of human suffering, the impact of delays or failures in mandate delivery, the safety and security of the Organization's staff and the accompanying reputational risks. We must realign our risk management approach to incorporate those risks and balance them more adequately with administrative risks, so that we empower our leaders and managers to act and deliver — responsibly and accountably. I will establish a system of performance tracking and an evaluation mechanism to alert me to areas of underperformance, and to enable the Secretariat to intervene earlier to mitigate any risks to successful delivery.

65. The introduction of an enhanced and more balanced risk management framework and results-focused approach to resource management will more clearly illustrate the operational and strategic risks created by onerous ex ante bureaucratic processes intended to reduce administrative and financial risk. To be clear, the recognition and mitigation of operational and strategic risks does not require or imply any relaxation of compliance with the regulations or rules, and there will be strict accountability frameworks to ensure that this does not happen. But, where the Organization faces considerable operational and strategic risks, a shift from ex ante control to ex post facto accountability and a higher tolerance of administrative risk, coupled with enhanced transparency and improved reporting to Member States, are required to ensure that the limited resources available are put to the most effective use in delivering and meeting the expectations of all those we serve.

III. Aligning authority with responsibility

66. Although previous reforms have served to improve the administrative functioning of the Organization, a piecemeal approach and a culture characterized

by mistrust and risk aversion have led to a central administrative framework designed to exert ex ante control over the use and management of human resources, finance and procurement. While perhaps appropriate when the vast majority of Secretariat resources were deployed at Headquarters, a globally dispersed Secretariat with responsibility for a wide range of activities, ranging from the registration of treaties to conference management to the conduct of complex field and emergency operations, requires a more dynamic and responsive approach to accountable resource management if we are to deliver results to Member States and vulnerable populations in a manner that recognizes the reality that has developed over the past seven decades.

67. The Charter of the United Nations designates the Secretary-General as the chief administrative officer of the United Nations. The Financial Regulations and the Staff Regulations approved by the General Assembly outline the broad principles and legislative directives under which the Secretary-General is to manage the financial and human resources of the Organization. Under both sets of regulations, the Secretary-General issues rules by which to implement the regulations. In the context of the administrative framework of the United Nations, "authority" refers to decision-making power in the management of financial and human resources.

68. Under the Financial Rules and the Staff Rules, the Secretary-General delegates the authority to administer the regulations and rules to the Under-Secretary-General for Management, who may, in turn, further delegate authority to other officials. Authority in such areas as human resources, procurement, property management and finance is currently subdelegated to different officials for different situations via different routes. In the regional commissions, for example, human resources authority is delegated to the head of the human resources section (P-5), procurement authority is delegated to the Chief of Administration (D-1) and financial authority is delegated to the Chief of Programme Planning (D-1). Each receives the delegation of authority in his or her personal capacity, bypassing the Executive Secretaries who are normally advised by their subordinates about the policies directed by Headquarters. Another example relates to peace operations, where, for example, human resources management authority is delegated in full to the head of mission through the Under-Secretary-General for Field Support. Procurement authority is delegated to a director or chief of mission support through the Under-Secretary-General for Field Support, bypassing the head of mission. Financial authority is delegated directly to the director or chief of mission support, bypassing both the Under-Secretary-General for Field Support and the head of mission entirely.

69. In some cases the delegation of authority does not cover the full set of authorities required for the execution of the function in question and/or authorities are inconsistently delegated to different parts of the Secretariat, so that the back-and-forth required to manage resources is encumbered by heavy processes and controls that serve to blur lines of accountability and delay action, and present operational risks to mandate and programme delivery.

70. The current framework for delegation of authority results in two fundamental managerial challenges for heads of departments, heads of regional commissions and heads of missions. The first is complexity: delegations of authority are often issued or rescinded through the sending of memorandums or faxes between departments or missions, making it difficult for a manager to easily understand the extent of the authorities available to him or her. The second is that authorities and responsibilities are separated: while heads of department and heads of mission are responsible for implementing programmes and mandates, they frequently lack the authority to acquire and manage the financial, human and material resources to do so. Where responsibilities have been transferred from one department to another, delegation of

authority has not been accompanied by the resources required to exercise that authority, or systems are lacking to ensure sufficient training, support, quality assurance, performance tracking and evaluation. In other cases, particularly during mission start-up, the staff required to exercise delegated authorities may not yet be available.

71. Concerns with the functioning of the system of delegation of authority are not new and have previously been recognized by the General Assembly in its resolutions, such as resolutions 53/221 of 7 April 1999, 64/259 of 29 March 2010 and 71/314 of 19 July 2017. The incremental measures taken in the past to address them have largely been ineffective, however, as reflected in an audit by OIOS of the management of delegation of authority,[1] reports of the Board of Auditors[2] and reports of the Joint Inspection Unit on the delegation of authority.[3,4]

72. Addressing this longstanding issue requires, as a first step, review and simplification of the existing regulatory framework. I have, therefore, requested a comprehensive review to remove unclear, obsolete and duplicate policies and create new, clear and simplified policies and administrative guidance over the coming year. The result of this exercise will be the creation of an easily searchable policy compendium, the mapping of delegations of authority and how they flow, and the forming of a baseline of simplified processes and procedures that will allow all staff and managers the ability to easily identify and understand an existing policy or administrative issuance. The easier the administrative framework is to understand, the more accountably and effectively it can be executed at all levels within the Secretariat.

73. As a second step, I intend to address the fragmentation of delegation of authority and the misalignment between authorities and responsibilities for programme and mandate delivery. The current arrangement, where authorities are fragmented and processes involve multiple points of handover between departments, is neither transparent nor accountable. The most straightforward way to introduce clarity in roles and responsibilities, segregate duties, eliminate unnecessarily complex processes and strengthen accountability is to delegate authorities directly to heads of departments, offices, regional commissions and missions, allowing decisions concerning human, financial and physical resource management to be made closer to the point of delivery. In areas such as human resources, I intend to facilitate decentralized decision-making through delegating additional authority, where it makes sense and where it is viable to do so, to programme managers, including heads of departments, offices and missions. This will go hand in hand with a robust accountability framework and proper guidance and support, so as to allow for timely and responsible decisions by managers.

74. This approach ensures that the individuals who are accountable for the implementation of programmes and mandates are actually empowered to effectively deliver on those programmes and mandates, and that they can be clearly held to account for how executive decisions are made against clearly set policies, standards, values and benchmarks that will be transparently measured, monitored and supported using reliable business intelligence provided in real time. This exercise of delegated authority is not unconditional. In situations where the delegated authority is not effectively or appropriately utilized or where it cannot be exercised, as in the case of a small office or during the early stages of deployment of a new field

[1] AH2007/510/01.
[2] See A/70/322 and Corr.1 and 2.
[3] See A/55/857 (JIU/REP/2000/6).
[4] See A/59/631 (JIU/REP/2004/7).

operation, the authority will be delegated elsewhere and exercised on behalf of the entity.

75. It is my firm intent that the Secretariat will complete these two steps over the course of 2018, during which time a judicious roll-out of increased delegation of authority in human, financial and material resource acquisition and management directly to heads of departments, offices, regional commissions and missions will be effected, once I am assured that the requisite safeguards and accountability mechanisms are in place.

76. Together, these two measures — simplification and decentralization — will make delivery of programmes and mandates more effective and timely. Steps towards this increased delegation of authority must be matched with increased transparency and accountability, if we are to meet the crucial need to fulfil our fiduciary responsibilities and build trust with stakeholders. Umoja will play a critical role in ensuring visibility of data and needs to be fully implemented at all levels using business intelligence provided in real time, and the Secretariat accountability framework will be strengthened through clarity of roles and responsibilities and the segregation of duties.

IV. Changing structures and organizational design for strengthened accountability

77. The existing Secretariat structure is not effectively organized to allow for the transparent and accountable exercise of greater delegated authorities. Two departments — the Department of Management and the Department of Field Support — are currently responsible for the bulk of the management of financial and human resources within the Secretariat. However, the division of responsibilities between the two departments is often unclear. Duplication of effort, repetitive processes and dispersion of delegations of authority contribute to the lengthy timelines required for critical business processes — most noteworthy among them, budget formulation and recruitment — creating frustrations in both departments, in missions and among Member States. Moreover, despite the significant similarities in the administrative requirements of all Secretariat field activities, for historical reasons the Department of Field Support supports only peacekeeping missions, special political missions, and the African Union peacekeeping operation, the African Union Mission in Somalia.

78. To address these challenges, I am proposing a change in the organizational design to reduce duplicative structures and overlapping mandates by separating policy from operations and by establishing two different departments: one for policy and compliance and the other to support operations. This will require the re-engineering of the existing Departments of Management and Field Support. Both new departments would support the whole of the Secretariat.

79. Existing organizational structures, delegations of authority and management processes were examined against the following principles: unity of command and purpose; clarity of roles and responsibilities; and empowered delegations of authority that are rational, holistic and decentralized as far as possible within an established risk framework, in which risk assessment is supported by analytics and individual oversight data and the exercise of delegation of authority is supported, monitored and designed so that form follows function. With these principles in mind, I propose to replace the existing Department of Management and Department of Field Support with two new departments, the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, each of which within its respective roles and responsibilities would support the entire

Secretariat. While structural reform is not the objective, the elimination of duplicative structures and the creation of two new departments, focused on policy consistency and accountability and operational support effectiveness, respectively, are necessary to ensure that enhanced delegation of authority to senior managers translates into improved programme delivery, responsible stewardship of Member State resources, and a more responsive and proactive United Nations.

Department of Management Strategy, Policy and Compliance

80. The proposed Department of Management Strategy, Policy and Compliance would assume, on behalf of the entire Secretariat, the policy guidance, strategy, planning and independent quality assurance functions currently exercised by the Department of Management and the Department of Field Support. The new Department would exercise these functions across the areas of budget and finance, supply chain, human resources management and information and communications technology. In the area of budget and finance, the Department would oversee Secretariat-wide financial planning, budgeting and production of financial statements. It would be responsible for the strategic and policy aspects of the supply chain, including asset management and the procurement policies. In the area of human resources management, the Department would be responsible for organizational human resources management policy, and it would undertake strategic workforce planning, organizational development, talent management and staff development. With regard to information and communications technology, the Department would be responsible for strategic functions, such as policy and standards development, as well as oversight over the information and communications technology architecture and application development.

81. The Department would include a dedicated compliance and risk management function, and would leverage the global visibility of resources and administrative processes afforded by Umoja to perform real-time monitoring, evaluations and performance management of all finance, supply chain and procurement, information and communications technology and human resources management activities across the Secretariat. The Department would also be responsible for administrative law, management evaluation and oversight of conduct and discipline for the entire Secretariat, including a strengthened internal accountability function.

82. In addition, the Department would represent the Secretary-General on strategic management and policy issues before intergovernmental governing bodies, administrative advisory bodies and inter-agency coordination mechanisms. It would monitor emerging management issues throughout the Secretariat and manage staff-management relations by ensuring the effective participation of staff in issues relating to staff welfare, including conditions of work, general conditions of life and other human resources policies.

83. Further, I intend to establish a Management Client Board, which would be chaired jointly by the Head of the Department of Management Strategy, Policy and Compliance and the Head of the Department of Operational Support, and would include rotating representatives for each of the different types of entity across the global Secretariat, such as departments and offices at Headquarters, offices away from Headquarters and regional commissions, peace operations and field-based offices of special advisers and envoys. The Board would serve as a feedback mechanism between the Department of Management Strategy, Policy and Compliance and the Department of Operational Support and their clients. Where an operational requirement is identified, the Board would feed into the policy-making processes, including the development of field-specific policies, if required, as is the practice in many of the funds and programmes which use Secretariat regulations and rules.

Department of Operational Support

84. The proposed Department of Operational Support would become the primary operational arm of the Secretariat, assuming the operational and transactional functions currently performed by the Department of Management, the Department of Field Support, offices away from Headquarters, the regional commissions, the Global Service Centre and the Regional Service Centre. The new Department would exercise those functions in three broad areas: operational support, transactional services, and surge, transition and special activities, with particular emphasis on the requirements of all United Nations field activities, including peace operations, delivery of humanitarian assistance and human rights monitoring, reporting and investigation. The new Department would be responsible for operational and transactional functions for and support to staff at Headquarters, offices away from Headquarters, the regional commissions and the field.

85. Operational support would provide advisory capacities to senior managers and staff in the exercise of their delegated authorities and for individual service needs; administer information and communications technology applications, in compliance with centralized established governance and guidelines; oversee supply chain management operations, including the procurement of all goods and services that would benefit from consolidated global planning, procurement and delivery; and provide dedicated support to uniformed capabilities deployed to peace operations.

86. Transactional services would perform location-independent and administrative tasks in areas such as human resources, finance and payroll, and in time other corporate services, where it makes sense to consolidate and specialize, and would also provide information and communications technology support to all organizational entities within the Secretariat. In line with the global service delivery model, those activities would be delivered by service centres offering support 24 hours a day, seven days a week, to leverage economies of scale and ensure the consistent application of policies and procedures in meeting the requirements of all organizational units across the Secretariat.

87. Surge, transition and special activities would be undertaken by a dedicated capacity that would provide support for mission start-up, surges and transitions, including for crisis response and humanitarian activities. Phases within mission lifecycles such as start-up and liquidation have particular requirements that are most effectively met by specialist teams with experience dealing with such requirements. This pillar would also exercise delegated authorities on behalf of clients that lack the capacity, temporarily or otherwise, to accountably execute delegated authorities as determined by the Department of Management Strategy, Policy and Compliance, for example in the case of newly established missions or small field offices. The delegation of authority, where circumstances so arise, may have to be withdrawn and the decision to do so would be taken by the Department of Management Strategy, Policy and Compliance in consultation with the Department of Operational Support.

Departments, offices, regional commissions and field missions

88. Under the proposed arrangement, heads of departments, offices, regional commissions and field missions would directly receive delegated authority from the Secretary-General for the management of financial, human and material resources. They would continue to be fully empowered to formulate their budgets within overall levels established by the Department of Management Strategy, Policy and Compliance; to manage the funds appropriated by the General Assembly; to recruit and manage their personnel; to ensure effective use of innovative technologies; and

to procure required goods and services through established mechanisms and within the appropriate guidance.

89. Senior managers would be supported in those functions through a "business partner" function responsible for administrative advice and guidance; internal compliance with the regulations and rules and organizational policies and procedures; operational resource planning and management; and achievement of benchmarks and goals specified in the accountability framework. The business partner function would also serve as the interface between organizational units and the Department of Management Strategy, Policy and Compliance and the Department of Operational Support. By being accountable for both resource management and programme delivery, senior managers would be able to more clearly demonstrate the relationship between resources and results, and to reflect this in performance reports and other reports submitted to governing bodies.

V. Aligning ongoing reform initiatives

90. My vision for management reform of the Secretariat coincides with and enables the ongoing implementation of a number of reforms authorized by the General Assembly, such as the implementation of Umoja and the development of a new global service delivery model. In fact, Umoja is a prerequisite for the enhanced authority I intend to delegate to heads of departments, offices, regional commissions and missions. Moreover, the establishment of a dedicated Department of Operational Support builds upon the principles previously outlined in reports to the General Assembly at the time of the establishment of the Department of Field Support, and on the global field support strategy and the proposed global service delivery model.

Umoja

91. Umoja is paving the way for more responsive and improved client services through the standardization and harmonization of business processes within a single, globally deployed system. The real-time visibility of global information facilitated by Umoja should allow for more informed and timely executive decision-making driven by business intelligence tools and the opportunity to modernize the internal control framework of the Secretariat by combining greater delegation and decentralization with improved accountability through increased transparency. Umoja has not only opened the door to more efficient service delivery models, but also serves as the impetus for the review of the existing administrative structures that hinder the efficient use of resources and the effective delivery of programmes and mandates. Embedded in Umoja access are clear roles and responsibilities for the execution of transactional functions, representing yet another opportunity to support the segregation of duties and establish a chain of accountability, when supported by further simplification of policies and processes.

92. Umoja is gradually acquiring greater maturity in all locations. The Organization has demonstrated its ability to adapt to new ways of working. This will be leveraged and, through significant process re-engineering, strong process and business ownership and robust change management, I expect to deliver the desired qualitative benefits. A major software upgrade will also address one of the primary complaints of Umoja, its user experience, and allow it to be accessed through mobile devices. The enhancement of tools for senior managers, including business intelligence offered in modular dashboards, will provide senior managers with the relevant real-time information they need to effectively manage resources. This functionality can be extended to Member States to allow them to visualize how

resources are utilized, complementing the analysis provided in the regular reports to the General Assembly.

93. The ninth progress report on Umoja will be submitted to the General Assembly for its consideration during the main part of its seventy-second session and will provide an update on the progress made in the past year, including in the improvements made to Umoja Foundation and Extension 1, the development and deployment of Umoja Extension 2 and the changes to the International Civil Service Commission compensation package.

Global service delivery model

94. The global service delivery model is a key enabler of my reform agenda. The Organization's current administrative framework is based on an intricate web of procedures, often reflecting the constraints of a pre-Umoja past. The fragmentation of administrative functions has resulted in divergent processes, inconsistent service delivery and uneven client satisfaction across the Secretariat. Under the current arrangements, accountability is diluted and effective oversight is impeded. The global service delivery model is intended to address those challenges. Umoja standardized and automated business processes across the Secretariat. The global service delivery model will consolidate fragmented administrative structures within and across duty stations, with the goal of improving service delivery through simplified administrative policies, procedures and workflows to increase responsiveness to operational requirements. It will also provide consolidated administrative support capacity under a single management structure to allow for greater consistency and scalability in service delivery, economies of scale and a reduction of the Organization's footprint in higher-cost and higher-risk duty stations.

95. The global service delivery model enables a Secretariat organizational architecture that allows for greater clarity of roles and responsibilities, creates proper checks and balances and ensures accountability for meeting client needs. This allows for the consolidation of location-independent administrative functions in shared service centres which would report to the Department of Operational Support. Overall management policy formation, as well as monitoring, compliance and quality control, would be performed by the Department of Management Strategy, Policy and Compliance. The separation of functions allows each of the two new departments to focus on its respective area of responsibility, while ensuring that both are mutually reinforcing and accountable components of the management architecture for the entire Secretariat. The Management Client Board, co-chaired by the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, would concurrently serve as the client board for the global service delivery model and ensure that policy development reflects operational needs.

96. The shared service centres of the global service delivery model would report to the Department of Operational Support, and the heads of the individual service centres would report to the official responsible for transactional support services. To ensure that shared service centres remain responsive to the needs of clients across the Secretariat, their performance will be measured against key performance indicators agreed and regularly reviewed by the Management Client Board. A client relationship management platform is also critical for managing the interaction between a service centre and its clients, including for tracking, reporting and addressing issues raised by end users. An existing client relationship management software application previously implemented by the Secretariat will be adopted for the global service delivery model and expanded, including through the

establishment of a common catalogue of services to meet the requirements of the Secretariat-wide move to shared services.

97. Some revisions to the global service delivery model, as originally presented, are required to align with the proposed management architecture. The 2016 report to the General Assembly on the global service delivery model (A/71/417) outlined a two-phase implementation road map, with an initial consolidation of functions into six duty stations in 2018-2019 followed by a global consolidation of functions to two shared service centres. Instead of this two-phase approach, I propose accelerating the implementation of the global service delivery model and moving directly to two or three shared service centres on 1 January 2019 as part of the establishment of the Department of Management Strategy, Policy and Compliance and the Department of Operational Support. This will allow the Organization to avoid unnecessary capital and human resources investments related to the initial phase of consolidation. To ensure a smooth transition, the business process re-engineering — and the associated adjustments required in administrative policies and in Umoja — will be completed and consultations held across the Secretariat in advance of the implementation date.

98. The incorporation of the global service delivery model into my management reform programme ensures that it will be implemented in a manner that is fully aligned with all other reform initiatives. Changes to the original proposal are therefore necessary and, in line with General Assembly resolution 70/248, must be approved by the General Assembly. A revised proposal for the global service delivery model will therefore be presented early in 2018 in the context of the report requested by the General Assembly in section XVII of its resolution 71/272, and will include a detailed cost-benefit analysis as well as the proposed locations for the shared service centres for endorsement by the General Assembly. The detailed inventory of functional areas and processes performed across the Secretariat requested by the General Assembly will be presented in the context of my next report on management reform, to be submitted for consideration by the General Assembly during the second part of its resumed seventy-second session, as part of the information and analysis underpinning the proposed establishment of the two new departments.

VI. The way forward

99. The present report presents my vision for addressing the fundamental issues that undermine the ability of the Secretariat to meet the objectives set forth in the Charter of the United Nations and the global challenges now before it. The measures and proposals contained in this report are aimed at improving the effectiveness of programme and mandate delivery and addressing the six key problems identified by the internal review team. The proposed restructuring of the Secretariat to establish the Department of Management Strategy, Policy and Compliance and the Department of Operational Support would facilitate the simplification, delegation and decentralization required to permit delivery to occur in a more accountable and transparent manner. I intend to revert to the General Assembly during the second part of its resumed seventy-second session with a detailed proposal for implementing this new management architecture for the Secretariat and other measures requiring the approval of the General Assembly.

100. Addressing shortcomings in management culture and leadership is essential for the success of management reform. As an initial step, therefore, I intend to fully implement the United Nations common system framework for principled leadership and to introduce 360-degree reviews, starting with senior management, to strengthen the link between leadership and performance management.

101. In the area of human resources management, and with the benefit of the appropriate staff-management consultations, I intend to identify measures to simplify procedures and reduce recruitment timelines, achieve gender parity, strengthen performance management and improve capacity development. I propose to reintroduce probationary appointments to enable the Organization to more responsively evaluate the effectiveness of newly recruited staff. I also propose to pause the implementation of the managed mobility framework in the light of experience to date in order to permit a full review of its centralized processes and their cost-effectiveness in meeting its intended purpose. I will revert to the General Assembly with the results of this evaluation during the main part of the seventy-third session. In the interim, I also intend to work with the heads of the agencies, funds and programmes to streamline and standardize processes, such as job design, classification and reference checking across the organizations participating in the United Nations common system, in order to increase inter-agency mobility and to allow staff to enhance their skills, experience and value to the Organization, enabling the organizations of the United Nations system to better work to their comparative advantage.

102. To allow for decentralization and empowered human, financial and physical resource management for programme and mandate delivery, the Secretariat will proceed with a comprehensive review of existing policies and procedures to clarify and streamline them. The Secretariat will also carefully examine the capacity to effectively put in place holistic delegations of authority, making certain that all required steps are taken to ensure that the training, support, monitoring and accountability mechanisms are in place to support their judicious and effective roll-out over the course of the coming months until the end of 2018.

103. The Secretariat must strengthen the linkage between resources and results. In the future, budgets will be better linked to indicators such as progress towards the achievement of the targets under the Sustainable Development Goals, increased acceptance of international norms and standards by Governments, improvements in indicators such as the human development index and reduction of conflict in areas of peacekeeping deployment. The United Nations should work with its many partners and make use of the rich data sets that have become available in recent years to develop more meaningful ways to measure results. These can form the cornerstone of a new approach to the presentation of the programme budget, one by which the time between budget formulation and execution is reduced and the presentation of the budgets is better aligned with the activities set forth in the Charter and more clearly linked to the 2030 Agenda for Sustainable Development.

104. The real-time visibility afforded by Umoja will be used to enhance oversight of procurement and supply chain management. Procurement will be integrated, with appropriate safeguards, into the global supply chain, which will focus on satisfying client requirements at the right place, at the right time and at the right cost, while also assiduously ensuring the segregation of duties. It will also reflect a balanced approach that recognizes that certain requirements can be most effectively sourced and delivered globally while other requirements are most appropriately sourced locally, thereby providing flexible and optimized solutions for clients across the Secretariat.

105. Finally, I intend to significantly strengthen accountability by aligning authority with responsibility, and by ensuring that the Organization accounts for and mitigates the full range of risks that affect its activities, including administrative, financial, operational and strategic risks. Where appropriate, the Organization should rely on ex post facto review, as opposed to ex ante control, of delegated holistic executive decision-making authority for human, financial and material resources in the delivery of programmes and mandates to ensure accountability.

Underpinned by performance monitoring, quality assurance and proactive support guided and aided by information technology platforms that allow for greater transparency in the use and management of resources, management accountability will be overseen by a dedicated performance monitoring, quality assurance and risk management function in the new Department of Management Strategy, Policy and Compliance.

VII. Change management

106. I fully appreciate that the transformational agenda outlined above will require an exercise in change management perhaps as substantial as any that the Organization has seen to date. To oversee the change, I have appointed the Chef de Cabinet as the Project Sponsor on Change Management. The project will be led jointly by the Under-Secretaries-General for Management and Field Support. The Chef de Cabinet may appoint a project trustee to ensure full coordination in the implementation of the management reform. The project will have a Governance Board comprising an appropriate representation of department heads and business owners. The project will be staffed by a dedicated team led by a project manager and a group of team members on full-time release who will be selected from across the Organization. External expert assistance on change management and project management will be called upon selectively to ensure that the best practices are being adopted in the process. The team will also work closely and engage regularly with the change teams in other areas of reform.

VIII. Conclusion

107. The unprecedented challenges confronting the United Nations across the spectrum of peace and security, humanitarian action and human rights protection and sustainable development will not be met unless our Organization finds better and stronger means of putting the full force of our capacities at the disposal of the Member States, the international community, and the peoples we serve. Management and administrative silos, antiquated and calcified business processes and structures, and imbalanced risk management must be addressed if we are to lend our full support to Member States and ensure our active engagement in preventing and dealing with human suffering. In 2017, I have introduced a series of reform initiatives designed to enable the Secretariat to deliver on the promises of the Charter. Once more, I pledge my commitment and determination for the Secretariat to do its part in their implementation.

108. **The General Assembly is requested:**

(a) **To take note of the report of the Secretary-General and endorse his vision for management reform of the Secretariat;**

(b) **To request the Secretary-General to submit to the General Assembly at the second part of the resumed seventy-second session a comprehensive report on the implementation of his management reform proposals;**

(c) **To support the creation of the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, and to request the Secretary-General, in the context of the above-mentioned comprehensive report, to provide detailed information on the functions, structure and staffing requirements of the new structure.**